

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



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Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING January 1, 2002 AND ENDING December 31, 2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

IDB Capital Corp.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

511 Fifth Avenue

(Not and Street)

New York

NY

10017

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Donald N. Roe

(212) 551-8690

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

5 Times Square

(Name - of individual, state last, first, middle name)

New York

NY

10036

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

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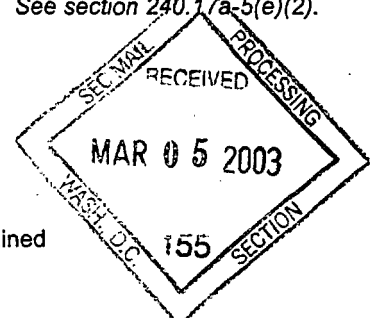
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

EC 1410 (06-02)

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IDB Capital Corp.

Financial Statements

Years ended December 31, 2002 and 2001

Contents

Report of Independent Auditors	1
Statements of Financial Condition	2
Statements of Income	3
Statements of Changes in Stockholder's Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplemental Information	
Computation of Net Capital Pursuant to SEC Rule 15c3-1	9
Statement Regarding SEC Rule 15c3-3	10
Supplementary Report of Independent Auditors	
Supplementary Report of Independent Auditors on Internal Control	11

Report of Independent Auditors

Board of Directors
IDB Capital Corp.

We have audited the accompanying statement of financial condition of IDB Capital Corp. ("the Company") as of December 31, 2002, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company, for the year ended December 31, 2001, were audited by other auditors whose report dated February 15, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDB Capital Corp. as of December 31, 2002, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst & Young LLP

February 14, 2003

IDB Capital Corp.

Statements of Financial Condition

	December 31	
	2002	2001
	<i>(In thousands)</i>	
Assets		
Cash	\$ 889	\$ 847
Cash and securities on deposit with clearing organization	228	220
Securities owned, at market	2,515	442
Accounts receivable	303	4
Prepaid expenses	31	5
Total assets	<u>\$ 3,966</u>	<u>\$ 1,518</u>
Liabilities and stockholder's equity		
Liabilities:		
Accounts payable and accrued expenses	\$ 137	\$ 321
Total liabilities	<u>\$ 137</u>	<u>\$ 321</u>
Stockholder's equity:		
Common stock, par value \$100:		
Shares authorized 20,000, issued and outstanding 10,000	1,000	1,000
Retained earnings	2,829	197
Total stockholder's equity	<u>3,829</u>	<u>1,197</u>
Total liabilities and stockholder's equity	<u>\$ 3,966</u>	<u>\$ 1,518</u>

See accompanying notes.